



# Arkansas

## State Revenue Tax Quarterly

Mike Huckabee, Governor

Department of Finance & Administration Revenue Division

Richard A. Weiss, Director  
Tim Leathers, Commissioner

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*Streamlined Sales Tax System  
For the 21<sup>st</sup> Century*

### JANUARY UPDATE

On November 12, 2002, the Streamlined Sales Tax Implementing States met in Chicago and adopted the Streamlined Sales and Use Tax Agreement ("Agreement"). The Agreement reflects the efforts of the participating states, with input from local governments and businesses, to simplify and modernize sales and use tax administration in an effort to reduce the burden of tax compliance. It is this Agreement that states will work with in drafting legislation for their individual states this legislative session.

The Agreement will become binding and take effect when at least ten states comprising at least twenty percent of the total population of all states imposing a state sales tax have petitioned for membership and have been found to be in compliance with the requirements of the Agreement.

A meeting of the Streamlined Sales Tax Project will be held in Tampa, Florida on January 23 and 24 and in Nashville, Tennessee on March 27 and 28.

### PERSONAL ASSESSMENT for Delinquent Tax

Arkansas Code, § 26-18-501, states that individuals such as officers, directors, or employees of corporations, partnerships, or LLCs that are in a position to control the payment of taxes are liable for a penalty equal to the total amount of tax evaded or not collected and paid over. This does not apply to corporate income tax.

### ELECTRONIC VERSION ONLY

**This version of the Arkansas State Tax Quarterly is available on the web. Notification by mail is sent to subscribers when the new edition is available. To add your email address to the list, please contact Linda Holmstrom at the address on the last page.**

## ESTATE TAX CHANGES

Arkansas' Estate Tax Return for 2002 was revised to implement the changes to the estate tax that was discussed in the last edition of the Newsletter. Click on the following link and go to form AR321.

[Arkansas Fiduciary and Estate Income Tax Forms](#)

## SALES TAX TIP



### CLOSED BUSINESS

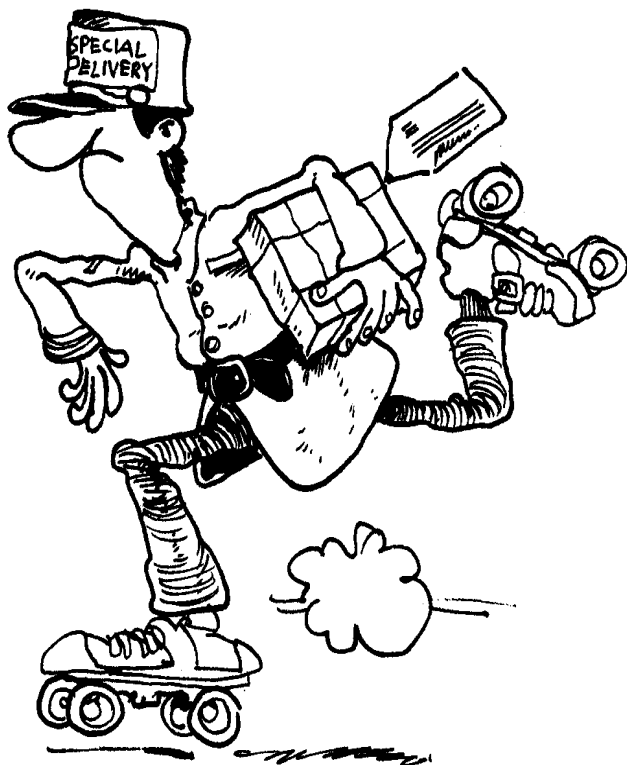
When you close your business, you must notify the Sales and Use Tax Section and the Withholding Tax Section that you have closed. Failure to notify DFA could allow you to receive delinquent tax notices on months that you were not operating a business. ***You must notify each tax section separately.***

For Sales tax, Form ST-200 Notice of Business Closure or Sale of Business is available on the Sales and Use Tax website, [www.state.ar.us/salestax](http://www.state.ar.us/salestax), under Tax Forms to Download. It is also in your forms package and it can be requested from the Sales and Use Tax Section, by mail, PO Box 1272, Little Rock, AR 72203-1272, or by phone (501) 682-7104.

2002	Regulations Promulgated
2002-1	In-Lieu-of-Tax Payments
2002-2	Standard Mileage Rates for Income tax purposes
2002-3	Rules and Regulations Implementing Governor's Executive Order 98-04 and Act 34 of 1999
2002-4	Travel Regulation
3.26.51	Small Business Tax Accounting Use of Accrual Basis & Cash Basis Accounting Methods

## AARP SITE in RAGLAND BUILDING for INDIVIDUAL INCOME TAX PREPARATION

Personnel from AARP Foundation Tax-Aide will be staffing an office in Room 2022 of the Charles D. Ragland Transportation Services Building at 1900 W. 7<sup>th</sup> Street. IRS trained volunteers prepare basic income tax returns free of charge at this site for individuals of low to moderate income, individuals with disabilities, and the elderly. This site will offer IRS and Arkansas *e-file* free of charge to the taxpayer. Plans are for this site to be open beginning February 3rd from 9:30 a.m. until 3:15 p.m. Monday through Friday.



## Older Versions of Newsletters are now available on the web

At the bottom of the electronic version of the newsletter, please note that a button has been added to view previous editions of this Newsletter.

## RECORD RETENTION

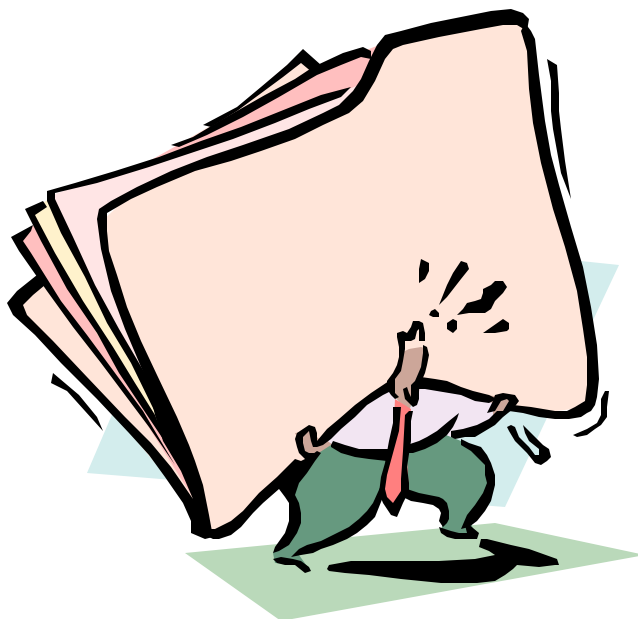
Taxpayers are required to keep and maintain all records within the State of Arkansas for at least six (6) years after a return was filed.

## CONSUMER USE TAX

Purchases made by Arkansas residents from an out-of-state vendor are subject to use tax if Arkansas sales tax was not collected on the sale. This includes purchases by the phone or catalog and internet sales. Form CU-1, on the web can be downloaded, printed, and remitted as needed.

To download the form, click on the hyperlink:

<http://www.accessarkansas.org/dfa/taxes/salestax/forms.htm>  
<http://www.accessarkansas.org/dfa/taxes/salestax/forms.htm>



## CHANGES IN SALES & USE TAX

Please Call (501) 682-7104 For Periodic Updates  
Regarding Local Sales and Use Taxes  
[www.accessarkansas.org/salestax](http://www.accessarkansas.org/salestax)

Name	Code	Effective Date	%	Recent Action
Wooster	23-09	1/01	0%	Rescinded from 1%
Saline Cty	62-00	1/01	0%	Rescinded from .25%
Jackson Cty	34-00	1/01	1.5%	Increase from 1%
Pike Cty	55-00	1/01	2%	Increase from 1%
Grant Cty	27-00	1/01	1%	Enacted
DeValls Bluff	59-04	1/01	1%	Enacted
Gillham	66-03	1/01	1%	Enacted
Hackett	65-09	1/01	1%	Enacted
Hazen	59-01	1/01	2%	Enacted
Perryville	53-07	1/01	1%	Enacted
Ravenden	38-11	1/01	1%	Enacted
Eureka Springs	08-01	1/01	2%	Decreased from 2.25%
Plumerville	15-04	1/01	1%	Decreased from 2%
Malvern	30-01	1/01	1%	Decreased from 1.5%

## Telephone Information

Corporate Income Tax (501) 682-4775

Taxpayer Assistance for Individual Income Tax (501) 682-1100  
1-800-882-9275

Automated Refund Inquiry & Tele-tax Information (501) 682-0200  
1-800-438-1992

## IRS (Internal Revenue Service)

<http://www.irs.gov> 1-(800) 829-1040

**The Arkansas State Revenue Tax Quarterly** is a publication of the Taxpayer Assistance Office. The newsletter is produced and distributed electronically to tax professionals, businesses, and organizations operating in Arkansas. To be added to or deleted from the mailing list, contact Linda Holmstrom, phone (501) 682-7751, send an email to [linda.holmstrom@rev.state.ar.us](mailto:linda.holmstrom@rev.state.ar.us) or write to P. O. Box 1272, Ragland Building Room 2077, Little Rock, Arkansas 72203-1272.

## Reminder

**W-2s and Annual Reconciliation  
due February 28**



## Internet Information

Business and Personal Tax Page

<http://www.accessarkansas.org/dfa/taxes/index.html>